

MEMORANDUM FOR PROGRAM RECORDS OFFICIALS
RECORDS MANAGEMENT FIELD OFFICERS
RECORDS LIAISON OFFICERS

FROM: SHARON A. EVELIN
DEPARTMENTAL RECORDS OFFICER

SUBJECT: RM NUMBERED MEMORANDUM 06-24
CARBON FIBER--FALSE CLAIMS ACT CASE—SEARCH
FOR DOCUMENTS—INVOICES; PAYMENTS

The Office of General Counsel has received a search request from the Department of Justice (DOJ) for documents relating to Carbon Fiber created during the January 1992 through January 2000 timeframe.

Pursuant to, U.S. ex rel. Randall M. Beck, et al. v. Hexcel Corporation, et al. (S.D. Cal.), DOJ has requested that DOE and its many related facilities and sites conduct a search and review to check whether any DOE-related entity (especially the laboratories) has information and documents (especially invoices, cost-related documents, payment-related documents, contracts, etc.) showing that DOE has:

1. purchased directly or indirectly (through prime contracts, subcontracts, purchase orders, or otherwise) a substance known as **carbon fiber** in any form; or
2. purchased any products, equipment, etc., with carbon fiber comprising a substantial part of the product/equipment's makeup (products using carbon fiber).

Carbon fiber is apparently used in a huge variety of products (from fighter jets to tennis rackets—and windmill blades, building materials, drill bits, etc.), devices, and equipment. We understand it has been used in a variety of research and development projects at DOE as well. Carbon fiber is generally heated to varying temperatures for use, depending on the type of use it will be put to or product that it will be placed in. The form of carbon fiber most commonly used after heating is called **prepreg**. Carbon fiber starts out in form from substances referred to as either, “pan” or “pitch.” It appears we are dealing with carbon fiber/prepreg materials and products originating from pan.

The plaintiffs in this qui tam/False Claims Act (FCA) suit filed suit against the manufacturers of carbon fiber/prepreg alleging that they colluded to drive up the price of carbon fiber/prepreg. Several of the companies who sell these substances have entered into a large, multi-million dollar settlement. The original lawsuit was expanded to an FCA suit against some of the manufacturers and their affiliates in the United States.

DOJ is primarily interested in larger (cost-wise) or substantial purchases of carbon fiber/prepreg or products/materials containing carbon fiber/prepreg. “Larger” and “substantial” are not clearly defined, but keep in mind that under the FCA each and every

submission for reimbursement to the Government is a single claim and subject to double or even triple damages.

Due to the potentially large scope of this request, the first step in this effort is to determine what information/documents exist that are responsive to this search request, if appropriate, the volume of said documents, and which DOE sites have them. **THIS IS NOT A REQUEST FOR DOCUMENTS AT THIS TIME.** The scope of your search should be all types of documents, regardless of format, including e-mail, and regardless of location, i.e., file cabinets, computer hard drives, backup tapes, paper, and electronic archives, etc.

Some keywords that may assist in your search are: carbon fiber, prepreg, pan, pan precursor. It may also be helpful for you to know the following companies known to sell carbon fiber/prepreg:

- Toray Industries, Inc. (a Japanese company)
- Toray Carbon Fibers America, Inc. (“Toray CFA”)
- Societe des Fibres de Carne S.A. (“SOFICAR”)
- Toray Composites (America), Inc. (“Tory Composites”)
- Toho Tenax Co., Ltd. (“Toho”)
- Toho Rayon Co., Ltd.
- Toho Carbon Fibers, Inc. (“Toho Carbon Fiber”)
- Mitsubishi Rayon Co., Ltd. (“Mitsubishi”)
- Grafil, Inc
- Newport Adhesives and Composites, Inc.
- B.P. Amoco Polymers, Inc.
- Amoco Performance Products, Inc. (“APPI”)
- Sumitomo Industries
- As of 2001, Amoco sold its carbon fiber facilities to Cytec Industries)
- Hercules, Incorporated (up until 1996—sold out to Hexcel, Corp.)
- Hexcel Corporation

Listed below is specific information related to some DOE sites and work carried out where carbon fiber/prepreg was used in some manner. This is information provided by the relator (plaintiff). Additional information can be provided if needed:

- Plaintiff/relator believes that ORNL, SNL, and LLNL (and probably others) may have purchased carbon fiber directly from manufacturers.
- A purchase order out of “Oak Ridge” to Toray from Martin-Marietta in 1995; a contract number is referenced, which may or may not be helpful - DOE and Martin-Marietta 1995 . . . DE-AC05-84OR21400.
- **“Oak Ridge”**— uranium enrichment project utilizing carbon fiber (also involved U.S. Enrichment Corporation)

- **“Oak Ridge”** – project related to the use of carbon fiber prepress and electron beam technology (this project related to producing low-cost composites and involved YLA, Inc.)
- **Lawrence Livermore**—involved in a research project on flywheel batteries (involved Westinghouse and General Motors as well)
- **FE and NETL** – research project relating to a carbon fiber drill pipe showing resiliency in a project in Oklahoma
- **FE--Project Fact Sheet(?)**—use of carbon fiber molecular sieve for removal of CO₂.
- **EE**—Freedom Car and Vehicle technologies
- **EE/National Wind Technology Center**—research and development for rotator blades for wind power
- **ORNL, Argonne, Lawrence Berkeley**—research regarding the use of carbon fiber on vehicles (also involved Partnership for Next Generation Vehicles (PNGV) and the University of Tulsa)

You should contact and coordinate this matter with your respective counsel.

As stated previously, we do not want the actual documents at this time, but only to know if and where they exist, and if so, the volume.

If you have questions regarding this request, please direct them to Tom West, 202-586-5677. Please e-mail your response to Tom at: thomas.west@hq.doe.gov by May 12, 2006.

cc: FYI IT Council